CPL LONG TERM CARE
REAL ESTATE INVESTMENT TRUST

2000 Annual Report

Trust Profile

CPL LONG TERM CARE REAL ESTATE INVESTMENT TRUST (CPL REIT) IS CANADA'S LARGEST OWNER AND OPERATOR OF LONG TERM CARE FACILITIES. FROM VICTORIA, BRITISH COLUMBIA IN THE WEST, TO MONTREAL, QUEBEC IN THE EAST, CPL REIT OWNS AND OPERATES 58 CANADIAN FACILITIES, WITH A RESIDENT CAPACITY OF 7,898, AND MANAGES ANOTHER 11 NURSING HOMES, WITH A CAPACITY OF 1,246, ON BEHALF OF OTHERS. CPL REIT HAS ALSO ESTABLISHED A SIGNIFICANT PRESENCE IN THE UNITED STATES, OWNING AND OPERATING 20 FACILITIES IN THE UNITED STATES NORTHEAST, AND IN THE STATE OF WASHINGTON, WITH A TOTAL RESIDENT CAPACITY OF 2,230.

CPL REIT IS IN THE REAL-ESTATE-BASED PEOPLE BUSINESS. ITS NURSING HOMES AND SKILLED NURSING FACILITIES ARE LICENSED AND INSPECTED BY THE GOVERNMENTS OF THE PROVINCES AND STATES IN WHICH THEY OPERATE. THE COST OF THE SERVICES CPL REIT PROVIDES TO ITS RESIDENTS ARE SUBSIDIZED BY GOVERNMENT FUNDING, WITH SOME SERVICES OFFERED ON A PRIVATE PAY BASIS.

THE BOARD OF TRUSTEES, MANAGEMENT, AND STAFF OF CPL REIT STRIVE TO ACHIEVE HIGH STANDARDS OF CARE AND THE GREATEST POSSIBLE RESIDENT SATISFACTION. AT THE SAME TIME, WE STRESS EFFICIENCY OF OPERATIONS AND ENHANCED OPERATING RESULTS THROUGH ECONOMIES OF SCALE. THIS PHILOSOPHY, TOGETHER WITH ACCRETIVE ACQUISITIONS AND NEW DEVELOPMENTS, PROVIDES OUR FOUNDATION FOR FUTURE GROWTH.

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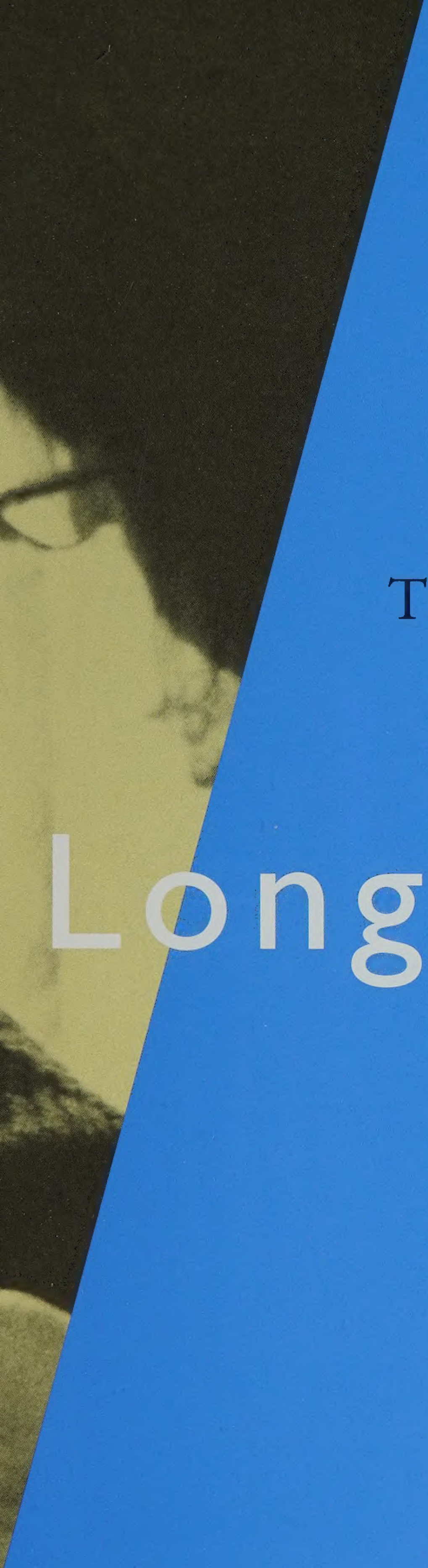

The Nature of Our Business is Long Term Care

CPL Reit provides a safe home, and professional services, to those in need of rehabilitative, personal and long term health care. As a growth-oriented business concerned mainly with the needs of the elderly, our mandate is to provide the best possible levels of care to our residents while meeting the financial expectations of our unitholders. Maintaining this delicate balance requires compassion, sound management, and an innovative spirit.

dem

People between 75 and 85 now make up 4.5% of the North American population. A higher percentage of this group than ever before will need long term care as they age.

Over the next 30 years, North America's elderly population is expected to double, and the number of seniors who will need long term care will grow dramatically.

Growing Demand
Projected Growth Rate in Seniors 85+

Longer life spans and an aging North American population will drive growth in long term care.

and

North American demographic trends are favourable for nursing home operators such as CPL Reit. The number of people in their 80s continues to rise, driving the need for expanded investment in the long term care sector. From 2001 to 2011, the number of North Americans over age 85 is projected to increase more than 52%, bringing with them a growing need for new nursing home beds. Thanks to healthier lifestyles and other factors, today's seniors are living significantly longer at the turn of this century than they did at the last. And with the massive baby boom generation not far behind, CPL Reit can look forward to a period of sustained growth.

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In Ontario alone, the government is spending $1.2 billion over 20 years to add hundreds of new long term care centres and renovate others.

The Health Care Financing Administration projects total U.S. expenditures for nursing home care will grow 70% between 1998 and 2007 to a total of $148 billion.

Governments are planning

increased expenditures

to meet the growing need for long term care.

tment

Governments in Canada and the U.S. are aware of the approaching demographic wave. In Ontario, for example, the provincial government has announced its intention to expand long term care facilities by 35% by the year 2004. Beginning in late 1999, Alberta announced it was allocating an additional $437.8 million to improve the delivery of long term care in the province. In the U.S., the federal government has recently earmarked an additional US$1.7 billion for Medicare funding to nursing facilities. All 50 states have adopted laws or regulations covering long term care insurance in an effort to reduce costs while ensuring access to adequate long term care. Twelve states have established tax incentives for long term care insurance premiums and at least 19 states have passed laws to make private long term care insurance available as a benefit to state employees. The need is at hand, and governments are responding.

inves

Incorporating ideas from residents and staff, our new nursing home design combines enhanced building efficiency with greater resident comfort and staff satisfaction.

The smallest details, like the shape of hallway handrails, have been rethought and redesigned to improve resident comfort and safety.

design passion

CPL is preparing for growth
by building **innovative new facilities**
and pioneering original concepts in nursing home
design and operations

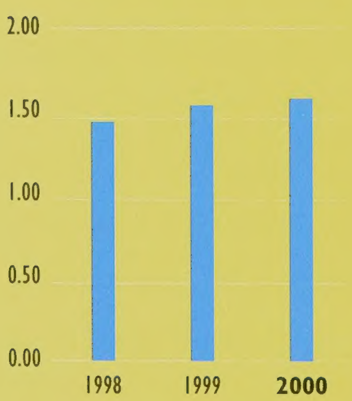
tment

There's no room for short term thinking in long term care. That's why CPL Reit is investing $240 million through 2002 to build new facilities and upgrade others. Sixteen new facilities, incorporating the most advanced thinking in long term care, are now under development, making CPL Reit the North American leader in nursing home construction. In Cambridge, Ontario, we have established a nursing home pilot project to apply and test innovative design concepts to improve resident comfort and enhance the quality of care in our new homes. Intimate rooms are grouped in small, self-contained units, providing a residence within a residence. These familiar, home-like units keep life as normal as possible for residents. The ideas developed in our pilot are now being applied to our existing facilities, and shared with others seeking to advance their own understanding of long term care.

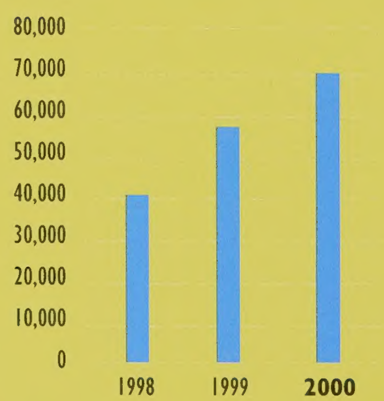
- At the end of February 2000, CPL Reit completed the acquisition of a portfolio of seven facilities licensed for 599 beds located in New Jersey (3), Massachusetts (2), Maryland (1) and Virginia (1).
- As a result of submissions made in response to the Phase II award of development rights for new nursing homes in Ontario, CPL Reit entered into agreements with the province providing it with the right to build four facilities containing 268 beds.
- CPL Reit issued convertible unsecured subordinated debentures in June and October raising $84,500,000.
- By the end of 2000, CPL Reit had nine facilities under construction in Ontario, for which rights to develop had been awarded to CPL Reit in 1999. At the same time, the planning and design for the six remaining facilities awarded in 1999 were nearing completion.

Financial Highlights

Rising Distributable Income Per Unit
($)



Increasing Operating Cash Flow (EBITDA)
($ thousands)



A Growing Portfolio

Number of Beds Owned

CPL Reit entered the millennium as a stable long term care operator with solid prospects for the future.

To our fellow Unitholders:

The year 2000 brought many successes and a few challenges for CPL Reit. We made significant gains in our operating performance, thanks to the efforts of our staff, and to increases in government funding in a number of jurisdictions.

CANADA

In Canada, CPL Reit continued its expected stable performance. During the year, funding increases in Alberta, Manitoba and Ontario helped solidify our financial position. Moreover, our Ontario facilities will continue to benefit in the years ahead from a change in provincial funding policy implemented for preferred accommodation.

Our ongoing focus in 2000 was the development and construction of 15 new nursing home facilities in Ontario and one in Alberta. Incorporating the latest long term care concepts, the design of these facilities has been enhanced by a pioneering pilot project established near our Cambridge, Ontario office. This pilot has adopted and tested advanced concepts in long term care, and what we have learned is being used to improve our existing homes as well as the design of our new facilities. The first of our new Ontario facilities is scheduled to open in the fall of 2001, with the last due for completion before the end of 2002. We believe that these facilities will be among the most advanced nursing homes in North America.

LEFT TO RIGHT

Barry Reichmann

John Crow

Dr. Calvin Stiller

THE U.S.

At the end of February 2000, we completed the acquisition of seven skilled nursing facilities located in Maryland, Massachusetts, New Jersey and Virginia. These facilities add 599 beds to our U.S. total.

Our American operations continue to outperform the U.S. long term care sector. Regulatory changes and other factors have created a difficult operating environment for skilled nursing facilities in the U.S. The long term care sector and governments continue to adjust to a new payment structure, and along with our competitors, CPL Reit is challenged by staffing shortages, wage pressures, increased insurance costs and occupancy issues at certain facilities. To help us manage these challenges, Jim Fields has joined our management team. Jim has more than 25 years of experience in financial and operating roles with major U.S. operators, bringing to our team a clear understanding of both challenges and solutions in the U.S. long term care market.

Looking forward, there is reason for optimism regarding our U.S. portfolio. Governments are beginning to react to the sector's problems, and are moving to adjust regulations and increase funding. It is in the public interest to have a healthy, viable, long term care sector, and as a recognized provider of efficient, quality care, we are confident that CPL Reit will emerge as a strong, stable operator in its chosen U.S. markets.

FINANCING

CPL Reit enjoyed great success accessing capital markets in 2000. In June, we raised $34.5 million through a convertible debenture issue, and we raised a further $50 million through a second convertible debenture issue in October. Proceeds from these convertible debenture issues are being used to assist with the funding of our Canadian development program. Convertible debentures bring us the flexibility needed to meet our various leverage ratios without incurring the immediate dilutive effects of other types of equities. In addition, we raised over $33 million through the issue of units in March of 2001. These funds will provide capital to finance future expansion, and to meet general corporate requirements.

LEFT TO RIGHT

George Kuhl

Douglas Bassett

Paul Reichmann

Darcy McKeough

MANAGEMENT AND ADVISORY AGREEMENTS

Near the end of 2000, Central Park Lodges, CPL Reit's principal external manager and advisor, began the process of establishing a new publicly traded real estate investment trust, to be known as Retirement Residences Reit. Central Park Lodges approached CPL Reit about transferring the management and advisory agreements it has with us to the new entity. A Special Committee of CPL Reit's independent trustees examined the Central Park Lodges proposal, and after a period of negotiation, consented to the transfer. In return for our consent and subject to the completion of the initial public offering, Central Park Lodges agreed to waive the management and advisory fees associated with our two Washington facilities until April 2008, to waive overall incentive fees until May 2007, and to provide performance covenants and adequate capitalization for the new entity. We believe that this arrangement will be constructive for the unitholders of CPL Reit.

OUTLOOK

The year ahead will not be without its challenges. The North American long term care sector will continue to face staff recruitment issues, as strong demand in related sectors limits the availability of qualified professional staff, and places upward pressures on wages. To address these issues, we have launched a series of innovative recruitment and staff retention initiatives, including the hiring of offshore professional staff, the review of all internal recruitment practices, and the strengthening of staff incentive and training programs.

We also encounter a certain amount of predictable seasonality in our business, which is addressed in our operating plan. Winter brings higher energy costs and increased staff expenses due to holidays and sick leave. These higher seasonal costs coupled with the timing of annual rate increases, cause some variability in our quarterly earnings.

While CPL Reit's debt remains well within the required limits, we are seeking to reduce our overall floating rate debt. We are satisfied with the fixed to floating rate debt ratio in regards to our Canadian division, but will continue to seek opportunities to reduce floating rate debt related to our U.S. division.

One of the most important attributes of CPL Reit is our resistance to economic cycles. This resistance to downturns in the economy allows us to sustain a strong financial position and to provide stable distributions over the long term. Our goal going forward is to continue to improve our operating performance to enable us to maintain the current level of distributions while leaving room to help meet our ongoing capital requirements. Over time, this will reduce our need to incur debt and, in turn, strengthen our ability to generate returns for our unitholders.

STAFF, VOLUNTEERS AND FAMILIES

While CPL Reit is real estate based, our business is really about people. We strive to retain the best people available, and commit our resources to train them, develop their potential, recognize their achievements, and advance their careers. In turn, our staff is dedicated to providing the best possible care and quality of life for our residents.

But exceptional care requires commitment beyond the boundaries of our facilities. Our homes are an integral part of the communities they serve, and draw upon local resources to bring residents a rich community life. Staff is aided by the work of hundreds of volunteers – local people who give their time to bring extra comfort and companionship to our residents. The efforts and enthusiasm of these volunteers are irreplaceable.

Also irreplaceable is the confidence, trust and support of our residents' families. Each of our facilities attempts to make a home for every resident, and we seek to integrate our facilities into community life by creating a welcoming environment for family members.

We thank all of our stakeholders, from families and volunteers, to staff and our fellow unitholders. Your continuing support is enabling us to advance new concepts of care, to grow our business, and meet our challenges with confidence.

On behalf of the trustees

John Crow
CHAIRMAN

Barry Reichmann
PRESIDENT

MARCH 6, 2001

Management's Discussion and Analysis of Operations and Financial Condition

THE FOLLOWING DISCUSSION REVIEWS THE OPERATING PERFORMANCE AND FINANCIAL CONDITION OF CPL LONG TERM CARE REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES ("CPL REIT" OR THE "TRUST") AND PROVIDES INFORMATION CONCERNING THE SIGNIFICANT DEVELOPMENTS AND ISSUES THAT AFFECTED THE FINANCIAL RESULTS FOR 2000 COMPARED TO 1999. THE DISCUSSION AND ANALYSIS IS BASED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRUST FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999 WHICH ARE PRESENTED IN THIS ANNUAL REPORT.

CPL Reit is an unincorporated closed end investment trust established pursuant to and governed by a declaration of trust. The Trust's business is the ownership, and through subsidiaries, the operation of long term care facilities, which provide health care based accommodation and services mainly to senior populations.

At December 31, 2000, CPL Reit owned 58 long term care properties (the "facilities") with 7,898 beds located in five provinces in Canada and 20 facilities with 2,230 beds located in eight states in the United States. The following is a breakdown by province and state of CPL Reit's ownership:

Jurisdiction	Facilities	No. of Beds
Canada		
British Columbia	8	1,246
Alberta	5	665
Manitoba	6	1,000
Ontario	38	4,804
Quebec	1	183
United States		
Washington	2	277
Virginia	1	118
Maryland	1	78
New Jersey	3	294
Connecticut	3	480
Vermont	7	766
Massachusetts	2	109
New Hampshire	1	108

In addition to the facilities owned by CPL Reit, it operated 11 facilities in Ontario on behalf of third parties with a total of 1,246 beds in 2000.

RESULTS OF OPERATION

CPL Reit's financial operating performance results for the year ended December 31, 2000 compared to the same period in 1999, is summarized as follows:

(thousands of dollars, except per unit amounts)	2000	1999	% change
Revenue	**$ 501,579**	$ 392,819	27.7
EBITDA*	**69,403**	56,541	22.7
Net income	**14,978**	12,660	18.3
Distributable income	**31,167**	29,864	4.4
Net income per unit	**0.76**	0.65	16.9
Distributable income per unit	**1.58**	1.54	2.6
Distributions paid per unit	**1.62**	1.62	—

* *Earnings before interest, taxes, depreciation and amortization*

Net Income, Distributable Income and Cash Distributed

Net income of the Trust increased to $14,978,000 or $0.76 per unit, up from $12,660,000 or $0.65 per unit in 1999. This increase reflects the positive change in future income tax assets and liabilities following both Canadian federal and Ontario provincial tax law amendments during the year.

Distributable income, which includes net income plus the non-cash expenses of depreciation and amortization and future income tax, grew by 4.4% to $31,167,000 in 2000 from $29,864,000 in 1999, while per unit distributable income rose to $1.58 per unit from $1.54 in 1999.

Cash distributed, which represents the total cash distributions made by CPL Reit to its unitholders, remained unchanged at $1.62 per unit.

Segmented and Acquisition Information

The Trust's operations are segmented between Canadian and U.S. divisions. This review analyzes the performance of these divisions separately where appropriate due to operating, market or other business conditions. Otherwise the review is presented on a consolidated basis.

CPL Reit's growth strategy is focussed on strategic acquisitions and selective developments. Through these activities the Trust is constantly adding to its portfolio of facilities. This can have a material effect on the growth in financial results and the financial position of the Trust.

CPL Reit's growth has mainly been in the United States in 1999 and 2000. At the start of 1999, the Trust owned two facilities with 277 beds in the United States. In each of 1999 and 2000, the Trust made an acquisition of a portfolio of facilities bringing the total to 20 facilities with 2,230 beds. In Canada, CPL Reit added five facilities with 588 beds in 1999 for a 7.9% increase in beds over 1998 with no additions in 2000. The 1999 and 2000 acquisitions were completed as follows:

Date Added to Operations	No. of Facilities	No. of Beds	Province or State
March 31, 1999	11	1,354	Vermont, New Hampshire and Connecticut
July 1, 1999	3	352	British Columbia
October 1, 1999	1	86	Manitoba
December 17, 1999	1	150	Ontario
February 29, 2000	7	599	Massachusetts, New Jersey, Maryland and Virginia

The results of operation have been significantly affected by the acquisitions that were completed in 1999 and 2000, particularly in the United States. The following table illustrates the change in financial results to each division after eliminating the effect of acquisitions in 1999 and 2000:

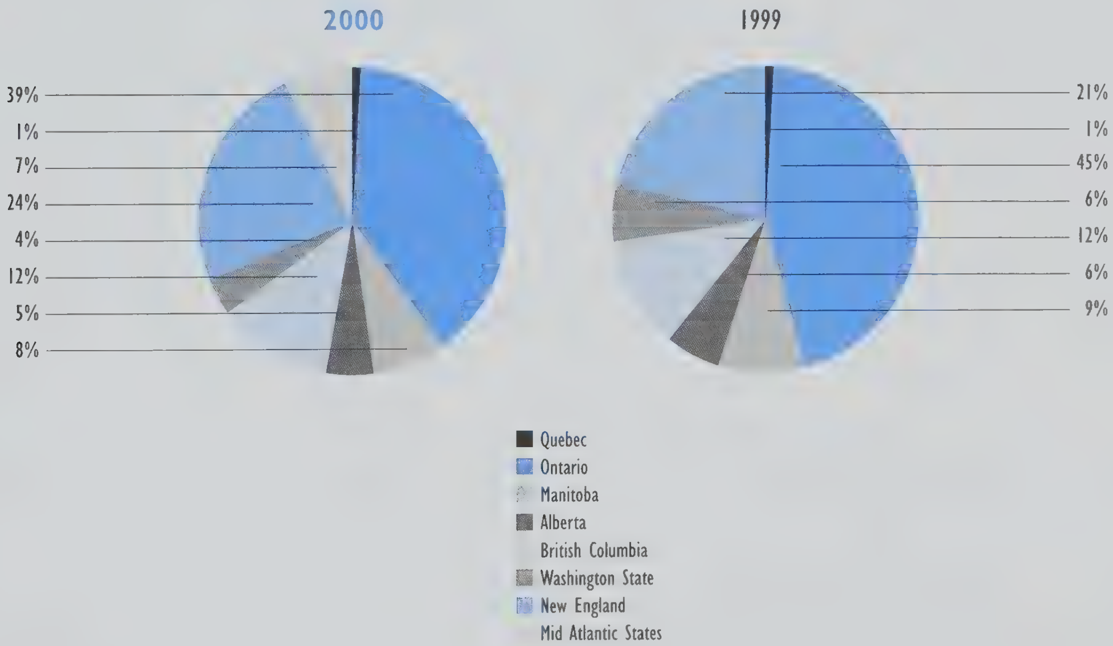
(thousands of dollars)	Year ended December 31 2000	1999	Total change from 1999 $	%	Change attributable to acquisitions in 1999 and 2000 $	%	Changes after eliminating acquisitions in 1999 and 2000 $	%
Canadian Division								
Revenue	**$ 323,503**	$ 291,136	$ 32,367	11%	$ 16,841	6%	$ 15,526	5%
Expenses								
Property operating expenses	**258,885**	231,488	27,397	12%	12,885	6%	14,512	6%
General, administrative and management	**11,489**	10,018	1,471	15%	637	6%	834	8%
Property operating income	**53,129**	49,630	3,499	7%	3,319	7%	180	0%
Long term debt and bank interest	**20,429**	17,906	2,523	14%	1,934	11%	589	3%
Depreciation and amortization	**14,525**	13,202	1,323	10%	296	2%	1,027	8%
Income before income taxes	**$ 18,175**	$ 18,522	$ (347)	(2%)	$ 1,089	6%	$ (1,436)	(8%)
U.S. Division								
Revenue	**$ 178,076**	$ 101,683	$ 76,393	75%	$ 71,605	70%	$ 4,788	5%
Expenses								
Property operating expenses	**151,919**	87,507	64,412	74%	60,849	70%	3,563	4%
General, administrative and management	**5,640**	3,179	2,461	77%	2,168	68%	293	9%
Property operating income	**20,517**	10,997	9,520	87%	8,588	78%	932	8%
Long term debt and bank interest	**13,875**	7,626	6,249	82%	5,572	73%	677	9%
Depreciation and amortization	**6,022**	3,460	2,562	74%	2,407	70%	155	4%
Income before income taxes	**$ 620**	$ (89)	$ 709	—	$ 609	—	$ 100	—
Corporate expenses not allocated to divisions								
Trust expenses	**$ 4,243**	$ 4,086	$ 157	4%				
Long term debt and bank interest	**$ 3,518**	$ 663	$ 2,855	431%				
Income before income taxes	**$ 11,034**	$ 13,684	$ (2,650)	(19%)				

Revenue

After eliminating revenue increases due to acquisitions, Canadian operations experienced revenue growth of 5% or $15,526,000. This growth in revenue resulted from rate increases ranging from 2.1% to 9.7%. These increases were effective at various times throughout the year. In addition, CPL Reit received funding increases of approximately $2,000,000 in British Columbia, which we were required to use to fund increased salaries. Effective April 1, 2000, the Province of Ontario implemented changes to its funding policy for preferred accommodation rates, which increased revenues by $2,300,000 for the nine months the change was in place during 2000.

The growth in same facility revenue in the U.S. increased by 5% or $4,788,000. An increase in the average exchange rate between the Canadian and U.S. dollar from 1999 to 2000 accounted for approximately $800,000 of this increase. The balance of the increase came from average rate increases which was somewhat offset by an average occupancy decline on a same facility basis of 2.2%.

The following charts set forth details of revenue by geographic region:



In Canada, average annual occupancies remained high with slight variations on a year over year basis related to the performance of a few facilities that had variances due to local market conditions. In the U.S., occupancies were generally lower across the long term care sector, as was the case with the Trust's facilities. The Washington State facilities' occupancies were affected early in the year by renovation activities.

The following table shows the average occupancy for owned properties by geographic region:

	2000	1999
Ontario*	**97.8%**	97.7%
Manitoba	**97.7**	98.6
Alberta	**97.9**	98.7
British Columbia	**97.9**	93.7
Washington State	**89.8**	92.0
New England States	**90.2**	92.4
Mid Atlantic States	**90.0**	—

* *CPL Reit's single Quebec facility has been included with Ontario facilities.*

Property Operating Expenses

Property operating expenses represent costs incurred at the facilities. These costs are made up of employee expenses, supplies, utilities, maintenance and property taxes.

After eliminating increases due to acquisitions, the operating profit margin in Canada declined slightly from 20.5% to 19.8%. (Operating profit margin is the difference between property operating expenses and revenues shown as a percentage.) In Canada, slightly over 83% of property operating expenses consisted of employee expenses. During 2000, CPL Reit received funding increases specifically designated for staffing increases which had the effect of lowering operating profit margins. In addition, the Canadian division experienced employee shortages at certain facilities, especially with regard to professional staff, which necessitated an increase in overtime and in the use of agency staff.

The U.S. division produced an improvement in operating profit margin, increasing from 14.0% in 1999 to 14.5% before acquisitions and 14.7% after including acquisitions in 2000. The improvement before including acquisitions is attributable to the Washington State facilities where CPL Reit was successful in obtaining rate increases, improving its revenue mix, and controlling costs.

General, Administrative, and Management Expenses

The increase in general, administrative and management expenses in Canada of $834,000, after eliminating acquisitions, is predominately due to the increase in management fees payable to the manager based on the revenues of the operators, which include third party facilities to which the Trust provides management services.

Excluding acquisitions, the U.S. operations experienced higher expenses related to additional regional management staff and increased management fees as a result of higher revenues, which together generated the majority of the $293,000 increase.

Trust Expenses

Trust expenses increased in 2000 as compared to 1999 by $157,000. Trust expenses are made up of the advisor's fees (which include both advisory and incentive fees), professional fees, unitholder communication costs and other public market costs. Advisory fees increased $241,000 concurrently with the growth in the gross book value of the Trust's assets. Conversely, the incentive fee declined by $90,000 as weighted average unitholders' equity increased significantly during the year because of the issuance of the convertible debentures by CPL Reit. A reduction in unitholder communication costs made up most of the difference.

Interest Expense

After eliminating the effect of acquisitions, the Canadian division's interest expense increased by $589,000 primarily due to higher interest rates on operating and corporate lines of credit and increased average outstanding borrowings under these credit facilities, particularly in the early part of 2000.

Before considering acquisitions, the U.S. operations interest expense was higher by $677,000 because of increased interest rates and the conversion of the low fixed rate loan to a floating rate loan.

Each one quarter of a percent change in the U.S. prime interest rate changes interest costs in the U.S. division by approximately Can$335,000 on an annual basis while in Canada one quarter of a percent changes interest costs by $75,000 based on December 31, 2000 balances.

The corporate interest costs experienced a $2,855,000 increase in 2000 over 1999. The interest expense on the debt component of the convertible debentures issued during 2000 resulted in increased interest expense of $1,190,000, which was partially offset by the capitalization of $1,005,000 in interest to properties under development. Higher average outstanding borrowings under the corporate facility, together with higher interest rates increased interest expense by $2,670,000.

Income Taxes

CPL Reit distributes its income for income tax purposes to its unitholders so that it does not incur any cost for income tax under Part I of the Income Tax Act (Canada). The income tax provision included in the financial statements represents the tax liabilities or benefits from its Canadian and U.S. subsidiaries.

In 2000, CPL Reit incurred a $4,358,000 future tax benefit compared to a $542,000 future tax expense in 1999. This change occurred for several reasons including a reduction in future tax liabilities of $4,425,000 in 2000 which is included as income. This resulted from expected reductions in both Canadian federal and Ontario provincial corporate tax rates. This was partially offset by a valuation allowance expense of $1,649,000 for existing U.S. tax losses. CPL Reit is currently implementing a corporate reorganization of its U.S. operations, which may result in the Trust not being able to utilize existing tax losses.

Current income tax relates to Canadian federal large corporation tax and U.S. state taxes incurred in its subsidiaries.

CHANGES IN FINANCIAL CONDITION

Assets

The total book value of assets increased by 14.1%, from $771,853,000 at December 31, 1999 to $881,040,000 at December 31, 2000, primarily due to the acquisition of seven properties in the U.S. at the beginning of March 2000 (the "Renaissance Acquisition").

Gross book value of the Trust's assets stood at $932,360,000 at December 31, 2000 compared to $802,855,000 at December 31, 1999. Gross book value equals the net assets plus accumulated depreciation and amortization.

Property Investments
Property investments increased by $55,193,000 or 8% over 1999. The following table sets out the areas of activity which resulted in this change:

(thousands of dollars)	2000	1999
Property investments, opening balance	**$ 689,604**	$ 524,594
Plus: Property acquisitions	**47,623**	172,742
Capital expenditures	**13,008**	11,112
Pre-development expenditures	**2,551**	1,654
Less: Depreciation	**(14,837)**	(11,714)
Foreign currency translation	**6,848**	8,784
Property investments, ending balance	**$ 744,797**	$ 689,604

Property investments include land, buildings and all furniture and equipment as well as the cost attributed to the licences granted by provincial and state governments. These licences are required to operate long term care beds in all jurisdictions in which CPL Reit owns facilities. At December 31, 2000, the book value of the licences was $47,548,000 compared to $45,009,000 at December 31, 1999.

Properties Under Development
CPL Reit has separated properties under development from property investments and has disclosed them as a new asset category. Properties under development include the amount invested in the new facilities that CPL Reit is developing in Ontario and Alberta. All costs associated with these developments will be recorded in this category during the development phase. In accordance with the Canadian Institute of Public and Private Real Estate Companies' recommendations, general and administrative expenses that are directly attributable to the development of a facility are capitalized to the cost of that facility. Interest cost related to the capital expenditure is considered a cost of development and as such it is capitalized to the development. Once the facility is considered to be leased up, the facility will be transferred to property investments.

CPL Reit anticipates significant growth in this asset category during the year. This balance is estimated to increase by approximately $170,000,000 in 2001, which will be financed with new mortgage construction loans and increases in the corporate facility.

Goodwill and Deferred Charges

The net carrying value of goodwill at the end of 2000 was $48,786,000 compared to $42,299,000 at the end of 1999. The change was a result of $9,738,000 due to acquisitions, net of amortization of $3,834,000 and $583,000 in positive foreign exchange translation adjustments.

Deferred charges, which are primarily financing charges, increased to a net book value of $9,508,000 at December 31, 2000 from $5,976,000 at December 31, 1999. Of the increase $900,000 of financing charges were incurred in connection with the arrangement of new debt in respect of financing the Renaissance Acquisition. Further, approximately 40% of the total issuance costs related to convertible debentures was allocated to deferred charges accounting for $1,700,000 of this increase. Additions to deferred charges totaling $2,400,000 were made in 2000 related to ongoing financing activities. Foreign exchange translation adjustments of $100,000 increased the balance of deferred charges while amortization decreased the balance by $1,600,000.

Accounts Receivable, Prepaid Expenses and Other Assets

The Renaissance Acquisition accounted for approximately 42% of the $17,564,000 increase in accounts receivable, prepaid expenses and other assets. The New England properties acquired in 1999 accounted for a further 44% of the increase in this balance as receivables increased to a normalized level. The remainder of the increase is attributable to the Canadian division. Accounts receivable in the Canadian division increased as revenues grew and other assets increased as a result of pre-acquisition deposits on land purchases.

Liabilities

Long Term Debt

Total long term debt at the end of 2000 totaled $460,561,000 compared to $419,620,000 at the end of 1999. The increase of $40,941,000 was due to the incurrence of additional debt used to assist with financing $58,577,000 of acquisitions during the year. Included in long term debt are first mortgages of $429,926,000 and the Trust's corporate facility which had $30,635,000 outstanding at December 31, 2000. The long term debt consists of fixed and floating loans with 64% fixed and 36% floating.

The Trust has $40,162,000 of fixed rate mortgage loans due on maturity in 2001. In addition, CPL Reit's corporate facility matures in June 2001. Also included in current principal repayments in the financial statements for 2000 is a provision of $20,761,000 in respect of amounts which could be required to meet existing covenant requirements. CPL Reit anticipates renewing all the loans maturing in 2001.

In Canada, a federal crown corporation, Canada Mortgage and Housing Corporation ("CMHC"), provides insurance for mortgage loans used to finance long term care facilities if certain conditions are met, such as loan to value and cash flow coverages. The Trust obtains CMHC insurance if the reduced rate for insured loans warrants the cost of upfront fees to obtain the insurance. Currently 79.2% of the Trust's Canadian mortgage loans are insured. In the United States, a similar type of insurance is offered under a federal government program. To date CPL Reit has not utilized the U.S. program.

The following table sets out the principal payments due at maturity along with the weighted average interest rate of the mortgage loans that mature over the next five years:

	Principal Balance Due at Maturity (000s)	Weighted Average Interest Rate
2001	$ 40,162	7.6
2002	36,770	6.7
2003	40,385	6.4
2004	16,677	6.5
2005	36,835	6.2

Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities increased year over year by $8,353,000 as a result of the increase in business in 2000 as compared to 1999. The majority of these liabilities relate to trade payables and accrued liabilities incurred in the normal course of business.

Liabilities include approximately $2,000,000 at December 31, 2000 payable to the vendor of a facility acquired in British Columbia in 1999, relating to the operation of additional beds at this facility. It is anticipated that this payment will be made by the issuance of CPL Reit units in the first quarter of 2001.

Note Payable

As scheduled, the note payable was reduced from $8,119,000 at December 31, 1999 to $5,534,000 at December 31, 2000. The note is non-interest bearing; however, an imputed 4% discount rate is reflected in the financial statements. The balance of the note is to be paid in two installments: $4,000,000 which was paid in January 2001 and the balance of $1,950,000 due in January 2002.

Unitholders' Equity

In 2000, CPL Reit's unitholders' equity increased by $36,652,000. The following items made up the change:

- During 2000, the equity component of convertible debentures contributed $49,755,000, net of issue costs allocated to unitholders' equity;
- Units were issued at various times during 2000 in connection with the payment of 50% of the advisory fee and under the distribution re-investment plan for a total of $1,391,000;
- The Trust added $14,978,000 to unitholders' equity in 2000 from net income earned;
- Foreign exchange translation increased the Trust's equity by $2,443,000; and
- The Trust's equity was reduced during 2000 as a result of distributions to the Trust's unitholders of $31,915,000.

CAPITAL REQUIREMENTS

CPL Reit continually invests capital in its facilities to ensure they are well maintained and remain competitive in their markets. In 2000, CPL Reit invested $13,000,000 in capital improvements in order to maintain and improve its facilities. For 2001, CPL Reit has budgeted to invest up to $10,000,000 in its existing facilities to ensure they meet the needs of our residents and their families. In addition, the Trust is considering commencing the expansion and redevelopment of a facility in 2001, which would be completed in 2002 at the cost of approximately $10,000,000. These capital expenditures are funded out of working capital, including the Trust's corporate facility, which, in turn, is paid down periodically from new long term debt facilities or equity issues. CPL Reit is undertaking a major development program of 16 new facilities which will add 1,556 new long term care beds and a redevelopment program which will replace 210 beds. With the exception of a 138 bed facility in Calgary, these projects are all located in Ontario. Nine facilities are currently under construction. Construction is scheduled to start on the balance of the projects during 2001. It is estimated that the cost to develop these facilities will total approximately $240,000,000. As of December 31, 2000, CPL Reit had incurred $27,454,000 of the projected costs.

Project financing commitments have been concluded for five of the facilities at an average interest rate of 6.82% per annum and for a term that covers the development period plus 20 years. Financing commitments have been received for an additional four facilities. It is anticipated that project financing will provide for approximately 75% of the total cost of each development. The balance of the anticipated cost will be financed by borrowings under the Trust's corporate facility.

LIQUIDITY

CPL Reit maintains liquidity from cash flow from operations, bank facilities including operating and corporate lines of credit, and by maintaining certain under-leveraged assets that could be financed, and its ability to access the capital markets for equity.

As set out in the Declaration of Trust, CPL Reit's long term financing can equal up to 60% of the gross book value of its assets. At December 31, 2000, long term debt was 53.3% of gross book value. After taking into consideration the equity issue of approximately $30.6 million scheduled to close the middle of March 2001 and on the basis that each dollar borrowed is invested in assets, the Trust could borrow an additional $225 million and remain within the Declaration of Trust's restriction on long term debt. This is believed to be sufficient to meet the needs of CPL Reit for 2001, given its existing commitments which include completion of all the development projects currently being undertaken.

FINANCIAL RISKS AND UNCERTAINTIES

CPL Reit is subject to financial risks and uncertainties related to: its financial condition, the long term care sector, and general economic conditions. In addition to the financial risks set out in Note 21 to the Financial Statements, CPL Reit is subject to the following risks:

Debt Financing

CPL Reit is subject to the risks associated with debt financing, including the risk that existing indebtedness may not be able to be refinanced, or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness. With the exception of the operating facilities, the note payable and the debt component of the convertible debentures, the Trust's debt is secured by the facilities. Approximately 50% of such long term debt is insured by CMHC. Historically, lenders have found these loans attractive for their loan portfolios. As a result, CPL Reit is usually able to refinance maturing loans at competitive interest rates without difficulty. CPL Reit has chosen longer terms to finance maturing debt and new loans. This reduces unitholder risk by preserving returns over a longer period. In addition, CPL Reit manages the risk of maturities by minimizing the debt that matures in any given year.

Cash Distributed

Cash distributed may exceed the actual cash available to CPL Reit from time to time because of items such as principal repayments and capital improvements. CPL Reit may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. Management can temporarily fund such requirements from surplus cash or revolving corporate operating credit facilities.

Cash Requirements

CPL Reit's business is capital intensive. The Trust will be required to raise additional funds to complete the development of the 16 new facilities it currently has underway and to undertake further growth activities and pursue its business strategy. To date, CPL Reit has been successful in obtaining project financing on favourable terms for the first nine of the 16 new facilities. The Trust believes similar debt financing can be arranged for the balance of the new facilities currently being developed.

Staffing

CPL Reit may, in certain geographic markets, experience difficulty in attracting and retaining sufficient staff at current wage rates. With approximately 80% of its operating expenses related to employee expenses, unforeseen wage increases can have a negative effect on its operating performance.

OUTLOOK

Looking at 2001, CPL Reit faces both opportunities and uncertainties in achieving its growth targets of between 3% and 6% in distributable income for the year. Rate increases within the Trust's growth targets are projected to be achieved during the year, while occupancies which declined across the U.S. division in 2000 are anticipated to remain stable or show slight improvements. Further, declining interest rates will be positive for CPL Reit's financial performance, especially for the U.S. division. Uncertainties facing the Trust relate to the potential for increasing employee costs greater than has been experienced in recent years. Upward pressure on wages and increased overtime and agency staffing expenses as a result of a shortage of professional staff, continue to have the potential to affect operating costs. Also, insurance costs are escalating at a rapid rate for long term care owners and operators in the United States. Although we do not operate in states where large insurance settlements are common, significant increases in insurance costs are being experienced in all states.

Recent economic measures showing a rapid decline in the performance of the Canadian and U.S. economies should have little or no immediate effect on CPL Reit's performance while having the potential to limit future operating cost increases.

Looking beyond 2001, the increasing demand for long term care from an aging population and limited new supply due to strict government regulation creates the conditions for stable financial performance while providing a positive environment for growth through efficient management and a disciplined acquisition and development strategy.

The management of CPL Long Term Care Real Estate Investment Trust is responsible for the preparation, content and integrity of the consolidated financial statements and all other financial information contained in this Annual Report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using management's best estimates and judgements when appropriate. Financial information presented elsewhere in this Annual Report is consistent with that in the financial statements.

The management of the Trust has established and maintains a system of internal controls that provides reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, the Trust is in compliance with all applicable laws and that the financial records are reliable for preparing financial statements. The effectiveness of and compliance with this system of internal controls is monitored by management.

The Board of Trustees oversees management's responsibility for financial reporting through its Audit Committee, currently comprised of three trustees who are not officers or employees of the Trust. The Audit Committee meets regularly with management and the external auditors to review auditing and accounting matters, including the adequacy of the system of internal controls and the quality of the Trust's financial reporting. The auditors have full and unrestricted access to the Audit Committee.

The consolidated financial statements have been audited by Deloitte & Touche LLP, the independent auditors, in accordance with Canadian generally accepted auditing standards. The Trust's financial statements have been discussed and reviewed by the Audit Committee with management and the external auditors before presentation to the Board of Trustees for approval.

Barry Reichmann

Barry Reichmann
PRESIDENT

David Beirnes

David Beirnes
CHIEF FINANCIAL OFFICER

To the Unitholders of CPL Long Term Care Real Estate Investment Trust

We have audited the consolidated balance sheets of CPL Long Term Care Real Estate Investment Trust as at December 31, 2000 and 1999 and the consolidated statements of income, unitholders' equity and of cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2000 and 1999 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Deloitte & Touche LLP
CHARTERED ACCOUNTANTS
TORONTO, CANADA

FEBRUARY 13, 2001

Consolidated Balance Sheets

As at December 31

(thousands of dollars)	*Note*		2000		1999
ASSETS					
Property investments	3	**$**	**744,797**	$	689,604
Properties under development	4		**27,454**		1,334
Goodwill and deferred charges	5		**58,294**		48,275
Accounts receivable, prepaid expenses and other assets			**40,834**		23,270
Note receivable	6		**6,513**		5,970
Deposits on acquisitions			**—**		1,274
Restricted cash	7		**1,886**		953
Future income tax assets	8		**942**		845
Income tax recoverable			**320**		328
		$	**881,040**	$	771,853
LIABILITIES					
Long term debt	9	**$**	**460,561**	$	419,620
Bank indebtedness	10		**17,846**		17,696
Debt component of convertible debentures	11		**30,805**		—
Accounts payable and accrued liabilities			**58,097**		49,744
Future income tax liabilities	8		**31,668**		36,599
Note payable	12		**5,534**		8,119
Non controlling interest	13		**5,527**		5,527
Current income tax payable			**15**		213
			610,053		537,518
UNITHOLDERS' EQUITY	14		**270,987**		234,335
		$	**881,040**	$	771,853
Commitments and contingencies	15				

The accompanying notes are an integral part of the financial statements.

Approved by the Trustees

John Crow
CHAIRMAN

W. Darcy McKeough
TRUSTEE

For the years ended December 31

(thousands of dollars)	*Note*	2000	1999
REVENUE		**$ 501,579**	$ 392,819
EXPENSES			
Property operating expenses		**410,804**	318,995
General, administrative and management	16	**17,129**	13,197
PROPERTY OPERATING INCOME		**73,646**	60,627
Trust expenses	17	**4,243**	4,086
INCOME BEFORE THE UNDERNOTED		**69,403**	56,541
Long term debt and bank interest		**37,822**	26,195
Depreciation and amortization		**20,547**	16,662
INCOME BEFORE INCOME TAXES		**11,034**	13,684
Future income tax (benefit) expense	8	**(4,358)**	542
Current income tax	8	**414**	482
NET INCOME		**$ 14,978**	$ 12,660
ADD			
Depreciation and amortization		**20,547**	16,662
Future income tax (benefit) expense		**(4,358)**	542
DISTRIBUTABLE INCOME	18	**$ 31,167**	$ 29,864
Per unit calculations	19		

The accompanying notes are an integral part of the financial statements.

For the years ended December 31

(thousands of dollars)	*Note*	Units in $	Net income	Distributions	Equity components of convertibles debentures	Foreign currency translation adjustment	Total
UNITHOLDERS' EQUITY, DECEMBER 31, 1998		**$ 194,377**	**$ 15,232**	**$ (30,038)**	**$ —**	**$ 81**	**$ 179,652**
CHANGES DURING THE YEAR:							
Net income			12,660				12,660
Distributions paid to unitholders	18			(31,302)			(31,302)
Subscriptions	14	79,502					79,502
Issue costs		(3,985)					(3,985)
Foreign currency translation adjustment						(2,192)	(2,192)
UNITHOLDERS' EQUITY, DECEMBER 31, 1999		**$ 269,894**	**$ 27,892**	**$ (61,340)**	**$ —**	**$ (2,111)**	**$ 234,335**
CHANGES DURING THE YEAR:							
Net income			14,978				14,978
Distributions paid to unitholders	18			(31,915)			(31,915)
Subscriptions	14	1,391					1,391
Equity component of convertible debentures (net of conversions)	11				52,623		52,623
Equity component of convertible debentures – holder options (net of conversions)	11				1,518		1,518
Issue costs					(2,602)		(2,602)
Accretion on equity component of convertible debentures	11				(1,784)		(1,784)
Foreign currency translation adjustment						2,443	2,443
UNITHOLDERS' EQUITY, DECEMBER 31, 2000		**$ 271,285**	**$ 42,870**	**$ (93,255)**	**$ 49,755**	**$ 332**	**$ 270,987**

The accompanying notes are an integral part of the financial statements.

For the years ended December 31

(thousands of dollars)	*Note*	2000	1999
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:			
OPERATING			
Net income		**$ 14,978**	$ 12,660
Items not affecting cash:			
Depreciation and amortization		**20,547**	16,662
Future income tax		**(4,358)**	542
Advisory fees paid through issue of units		**1,243**	1,048
Non-cash change in working capital		**(11,353)**	(2,752)
		21,057	28,160
FINANCING			
Proceeds from issuance of convertible debentures (net of issue costs)		**80,312**	—
Reduction of debt component of convertible debentures		**(1,275)**	—
Mortgage principal repayment		**(7,267)**	(40,418)
Mortgage financing		**4,436**	—
Issuance of note receivable		**—**	(5,527)
Repayment of note payable		**(3,000)**	(3,000)
Proceeds from offering of units (net of issue costs)		**—**	74,389
Change in term corporate facility		**(17,734)**	13,000
Distributions to unitholders		**(31,830)**	(31,222)
Change in restricted cash		**933**	953
		24,575	8,175
INVESTING			
Business and asset acquisitions, net of liabilities assumed	20	**(1,613)**	(27,793)
Net change in goodwill and deferred charges		**(3,989)**	(536)
Properties under development		**(25,774)**	(1,334)
Capital improvements		**(14,406)**	(11,452)
		(45,782)	(41,115)
CHANGE IN BANK INDEBTEDNESS		**(150)**	(4,780)
BANK INDEBTEDNESS, BEGINNING OF YEAR		**(17,696)**	(12,916)
BANK INDEBTEDNESS, END OF YEAR		**$ (17,846)**	$ (17,696)
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS			
Payments for interest		**$ 38,198**	$ 25,976
Payments for income taxes		**$ 559**	$ 981

The accompanying notes are an integral part of the financial statements.

1. THE TRUST

CPL Long Term Care Real Estate Investment Trust ("CPL Reit" or the "Trust") is an unincorporated, closed-end investment trust created pursuant to a Declaration of Trust dated February 20, 1997, as amended, and governed by the laws of Ontario. CPL Reit began operations on May 6, 1997. The Trust invests in real properties operated as long term care facilities in Canada and the United States. CPL Reit leases these properties to wholly owned subsidiaries, which operate the long term care facilities.

CPL Reit is taxed as a "mutual fund trust" for income tax purposes. Pursuant to the Declaration of Trust, the Trustees will distribute or designate all taxable income directly earned by CPL Reit to the unitholders of CPL Reit and deduct such distributions and designations for income tax purposes.

Canadian and U.S. subsidiaries of CPL Reit are subject to tax on their taxable income under the Income Tax Act and Internal Revenue Code respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

General
These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and are substantially in accordance with the recommendations of the Canadian Institute of Public and Private Real Estate Companies (CIPPREC).

Significant accounting policies are as follows:

a) Principles of consolidation
These consolidated financial statements include the accounts of all entities in which CPL Reit holds a controlling interest. All material intercompany transactions and balances have been eliminated.

b) Use of estimates
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

c) Unit option plan
CPL Reit has adopted a unit option plan (the "Option Plan") as described in note 14 b). No compensation expense is recognized when units or unit options are issued. Any consideration paid on exercise of options or purchase of units is credited to unitholders' equity.

d) Property investments
Property investments are recorded at the lower of cost less accumulated depreciation and net recoverable amount, and are depreciated over their estimated useful lives as follows:

Buildings	5% sinking fund method
Furniture, equipment and vehicles	5–10 years straight line
Computer equipment	5 years straight line

CPL Reit evaluates the carrying value of property investments for potential impairment on an ongoing basis and assesses the recoverability of this amount based on a review of future operating income on a non discounted basis.

e) **Properties under development**

Costs incurred in establishing new long term care facilities are capitalized as properties under development. Once a property is designated as an operating property it is reclassified to property investments and depreciation commences. The facility is designated as an operating property at the earlier of 12 months after completion or upon the attainment of positive operating income after property specific debt service costs.

f) **Licenses**

Licenses are recorded at cost less accumulated amortization and represent long term care facility operating licenses acquired. Licenses are amortized on a straight-line basis over 15 years. CPL Reit evaluates the carrying value of licenses for potential impairment on an ongoing basis and assesses the recoverability of this amount based on a review of future operating income on a non discounted basis.

g) **Goodwill**

Goodwill is recorded at cost less accumulated amortization and represents the excess of the purchase price over the amounts assigned to the identifiable net assets acquired including future income tax assets and liabilities. Goodwill is amortized on a straight-line basis over 15 years. CPL Reit evaluates the carrying value of goodwill for potential impairment on an ongoing basis and assesses the recoverability of this amount based on a review of future operating income from the acquisitions on a non discounted basis.

h) **Deferred charges**

Deferred charges, which include financing and related costs, are amortized on a straight-line basis over the terms of the related debt.

i) **Revenue**

Revenue is recognized when services are provided to residents or patients.

In Canada, the provinces regulate fees charged by the operators for its long term care facilities. Provincial programs fund a substantial portion of these fees.

In the United States, a significant amount of revenue is derived from State (Medicaid) and Federal (Medicare) reimbursements. CPL Reit receives reimbursements from these sources for services rendered to patients covered by these programs.

j) **Operating expenses**

Operating expenses include direct operating costs of the properties.

k) **Future income taxes**

The Trust uses the liability method of tax allocation in accounting for future income taxes. Under this method temporary differences between the tax basis and accounting basis result in either future income tax assets or liabilities. The Trust computes its future taxes using enacted or substantially enacted rates for the years in which differences are expected to reverse. In addition, future income tax assets and liabilities arising in connection with a business acquisition recognized under the purchase method of accounting are recorded as part of the allocation of the purchase price.

December 31, 2000 and 1999 (in thousands of dollars except per unit amounts)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

l) **Foreign currency translation**

CPL Reit's operations in the United States are self-sustaining. Assets and liabilities are translated into Canadian dollars at the rate of exchange at the balance sheet date. Revenue and expenses are translated at the weighted average rate for the year. Translation gains or losses are deferred and recorded as a separate component of unitholders' equity.

m) **Foreign currency balances**

Exchange differences arising from the translation of the long term note receivable denominated in U.S. dollars are deferred and amortized over the remaining term of the note.

3. PROPERTY INVESTMENTS

	2000			1999
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	**$ 69,935**	**$ —**	**$ 69,935**	$ 63,113
Buildings	**603,129**	**14,952**	**588,177**	544,908
Furniture, equipment and vehicles	**50,575**	**12,358**	**38,217**	35,244
Computer equipment	**1,424**	**504**	**920**	1,330
Licenses	**56,547**	**8,999**	**47,548**	45,009
	$ 781,610	**$ 36,813**	**$ 744,797**	$ 689,604

Additions to property investments of $67,721 (1999 – $186,306) were made during the year.

4. PROPERTIES UNDER DEVELOPMENT

The following costs have been capitalized to properties under development:

	2000	1999
Interest	**$ 1,287**	$ 283
General and administrative expenses	**2,353**	1,051
	$ 3,640	$ 1,334

5. GOODWILL AND DEFERRED CHARGES

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Goodwill	**$ 59,200**	**$ 10,414**	**$ 48,786**	$ 42,298
Deferred charges	**13,600**	**4,092**	**9,508**	5,977
	$ 72,800	**$ 14,506**	**$ 58,294**	$ 48,275

Additions to goodwill $10,329 (1999 – $6,668) and deferred charges of $5,177 (1999 – $2,327) were made during the year.

6. NOTE RECEIVABLE

The note receivable is due from the 20% non controlling interest shareholders of CPL Subacute LLC (see Notes 13 and 20). CPL Subacute LLC is owned 80% by CPL Reit and was established to acquire 11 properties in Vermont, Connecticut, and New Hampshire. The 20% non controlling interest has been pledged to CPL Reit as security for this loan.

The note, including any outstanding accrued interest, is payable upon the exercise of a put or a call option as described in Note 13.

The note bears interest at 10% compounded monthly for the period from issuance to December 31, 2003. A portion of the note is repayable at that time. The portion repayable at December 31, 2003 is determined based upon the attainment of certain levels of earnings. Thereafter any balance remaining bears interest at the 5-year U.S. Treasury rate plus 450 basis points compounded monthly, subject to a minimum of 10% or maximum of 12% per annum.

7. RESTRICTED CASH

Included in restricted cash at December 31, 2000, is $1,886 (U.S. $1,257) (1999 – $953 (U.S. $660)) held in escrow accounts with certain U.S. lenders for property taxes, and capital reserves and debt service reserves.

8. INCOME TAXES

a) CPL Reit is taxed as a "mutual fund trust" for income tax purposes. Pursuant to the Declaration of Trust, the Trustees will distribute or designate all taxable income directly earned by CPL Reit to the Unitholders of CPL Reit and deduct such distributions and designations for income tax purposes.

b) Canadian based corporate subsidiaries are subject to tax on their taxable income under the Income Tax Act (Canada) at rates between 38.16% and 46.12% (1999 – 38.27% and 46.12%). CPL Reit's United States subsidiaries are subject to tax on their consolidated taxable income at a rate of 40%.

c) In respect of assets and liabilities where income tax is taxed directly in the hands of the unitholders, the net book value for accounting purposes of those assets exceeds the tax basis by an amount of $33,847 (1999 – $22,824).

d) At December 31, 2000 the subsidiaries of CPL Reit had accumulated non capital losses available for carry forward for income tax purposes of $13,000. These losses expire between 2002 and 2020. The benefits relating to approximately $7,000 of these losses are not recorded in the consolidated financial statements as the utilization of such amounts is subject to various uncertainties.

December 31, 2000 and 1999 (in thousands of dollars except per unit amounts)

8. INCOME TAXES *(continued)*

The provision for income taxes is summarized as follows:

		2000		1999
Net income before future and current income tax	$	**11,034**	$	13,684
Income tax based on a basic and weighted average rate of 43.26% (1999 – 43.92%)		**4,774**		6,011
Taxes on income attributable to CPL Reit unitholders		**(8,135)**		(6,751)
Tax recovery on income not attributable to unitholders		**(3,361)**		(740)
Tax recovery due to a reduction in expected future tax rates		**(4,425)**		—
Valuation allowance for unused tax loss carry forwards		**1,649**		—
Tax effect of expenses that are not deductible for income tax purposes		**1,779**		1,282
Future income tax expense (benefit)		**(4,358)**		542
Current income tax		**414**		482
Income tax expense (benefit)	$	**(3,944)**	$	1,024

The balance of future income tax assets arises from the following:

		2000		1999
The effect of accrued payroll not currently deductible	$	**701**	$	345
Losses carried forward		**408**		500
Property investments with a cost basis for accounting purposes greater than the cost basis for tax purposes, due to accelerated tax depreciation methods and business combinations recognized using the purchase method of accounting		**(167)**		—
	$	**942**	$	845

The balance of future income tax liabilities arises from the following:

		2000		1999
The effect of accrued payroll not currently deductible	$	**(1,909)**	$	(2,379)
Losses carried forward		**(2,672)**		(266)
Property investments with a cost basis for accounting purposes greater than the cost basis for tax purposes, due to accelerated tax depreciation methods and business combinations recognized using the purchase method of accounting		**36,249**		39,244
	$	**31,668**	$	36,599

9. LONG TERM DEBT

Long term debt bears interest at December 31, 2000 and 1999 at the following weighted average annual interest rates:

	Canada		United States		Total	
	2000	1999	**2000**	1999	**2000**	1999
Fixed	**6.95%**	6.82%	**8.23%**	6.96%	**7.06%**	6.84%
Floating	**7.40%**	6.62%	**9.13%**	8.07%	**8.81%**	7.46%

CPL Reit has 36% (1999 – 38%) of its long term debt payable at floating rates. Long term debt includes U.S. denominated amounts of $106,926 U.S. ($160,399 Canadian) (1999 – $77,745 U.S. ($112,209 Canadian)). CPL Reit has provided first charges on its properties as security for the debt.

At December 31, 2000, CPL Reit had utilized $30,635 (1999 – $29,482) of a corporate facility of $65,000 (1999 – $50,000). The corporate facility may be utilized for working capital requirements, acquisitions or properties under development. The corporate facility is a revolving term facility secured by, among other things, a general security interest on the assets of CPL Reit plus first and second mortgages on specific properties of CPL Reit. The corporate facility matures on June 30, 2001 and may be extended at the option of the lender.

Long term debt is repayable as follows for the years ending December 31:

	Due on maturity	Principal repayments	Total
2001	$ 40,162	$ 31,716	$ 71,878
2002	36,770	10,452	47,222
2003	40,385	6,260	46,645
2004	16,677	5,938	22,615
2005	36,835	5,658	42,493
	$ 170,829	$ 60,024	$ 230,853
Thereafter	$ 133,454	$ 65,619	$ 199,073
			429,926
			30,635
			$ 460,561

Certain U.S. properties of the Trust are not in compliance with certain covenants under the terms of their loan agreements. Discussions are in progress with the lenders to remedy the situation. Amounts due on maturity and principal repayments have been adjusted to reflect $20,761 in debt repayments which would be required currently to meet existing covenant requirements. CPL Reit and its subsidiaries are current with all payment obligations.

December 31, 2000 and 1999 (in thousands of dollars except per unit amounts)

10. BANK INDEBTEDNESS

CPL Reit has operating lines of credit to fund its Canadian operations, totalling $12,284 (1999 – $12,109), of which $12,088 (1999 – $10,720) was utilized at December 31, 2000. The operating facilities bear interest at the lender's prime rate plus 0.125%. The operating facility is due on demand and is secured by a general security interest on the assets of the Trust.

A $15,000 ($10,000 U.S.) (1999 – $14,433 ($10,000 U.S.)) line of credit has been established to fund the operations of CPL Subacute LLC. This line of credit is restricted by a funding formula based on accounts receivable. In terms of the funding formula, $7,449 ($4,966 U.S.) (1999 – $4,399 ($3,048 U.S.)) has been advanced and is outstanding at December 31, 2000. The line of credit bears interest at 1.5% over U.S. prime, and is secured by virtually all of the assets of CPL Subacute LLC.

11. CONVERTIBLE DEBENTURES

During the year, CPL Reit issued two series of convertible unsecured subordinated debentures ("Convertible Debentures"). On June 14, 2000 $34,500 of Convertible Debentures ("June 2000 Debentures") were issued and on October 31, 2000 $50,000 of Convertible Debentures ("October 2000 Debentures") were issued.

	June 2000 debentures	October 2000 debentures	Total 2000
Debt component of Convertible Debentures	$ 12,556	$ 18,249	$ 30,805
Equity component of Convertible Debentures (net of conversions)	21,464	31,159	52,623
Equity component of Convertible Debentures – holder options (net of conversions)	645	873	1,518
Accretion on equity component of Convertible Debentures	(1,225)	(559)	(1,784)
	$ 33,440	$ 49,722	$ 83,162

The Convertible Debentures were segregated into debt and equity components. These components have been measured at their respective fair values at their date of issuance. The liability component of the Convertible Debentures represents the present value of future interest payments due under the terms of the debentures. The equity component represents the value ascribed to both CPL Reit's right to pay the principal amount of the Convertible Debenture in units and the holders' option to convert the principal balance into units.

Interest expense is determined by applying the discount rate of 11% against the outstanding liability component. The difference between actual cash interest payments and interest expense is treated as a reduction of the liability component of the Convertible Debentures. The equity component of the Convertible Debentures, represented by CPL Reit's right to pay in units, is being accreted to the maturity value at the same effective interest rate through periodic charges to unitholder's equity, net of tax.

a) June 2000 Debentures

The June 2000 Debentures pay 10.5% semi-annually and are convertible at the option of the holder into units of CPL Reit at any time up to and including May 31, 2005 at a price of $14.25 per unit (the "conversion price"). The June 2000 Debentures are redeemable by CPL Reit after June 1, 2002 at par plus accrued and unpaid interest provided that the weighted average trading price, as defined in the debenture agreement, is not less than 125% of the conversion price. Subject to regulatory approval, CPL Reit has the right to settle its obligations to repay principal upon redemption by issuing units. The June 2000 Debentures are repayable on June 1, 2005 either in cash or by issuing units.

During the year $63 of June 2000 Debentures were converted for 4,421 units of CPL Reit.

b) October 2000 Debentures

The terms of the October 2000 Debentures are the same as those of the June 2000 Debentures except that the conversion price of the October 2000 Debentures is $13.25 per unit.

12. NOTE PAYABLE

The non-interest bearing, unsecured note is repayable as follows:

		2000		1999
2000	$	—	$	3,000
2001		**4,000**		4,000
2002		**1,950**		1,950
		5,950		8,950
Less discount at 4%		**(416)**		(831)
	$	**5,534**	$	8,119

13. NON CONTROLLING INTEREST

CPL Reit holds an 80% indirect interest in CPL Subacute LLC, which was set up to acquire and hold 11 properties acquired in Vermont, Connecticut and New Hampshire at the end of March 1999.

Under the terms of the shareholder agreement, earnings are shared on a proportionate basis, provided that earnings of the non controlling shareholder may be increased or decreased upon the attainment of certain levels of earnings in CPL Subacute LLC.

The shareholder agreement contains a put/call agreement exercisable on the 5th, 7th or 10th anniversaries of closing which allows either CPL Reit or the non controlling interest shareholders to initiate the purchase of the 20% non controlling interest based on a predetermined formula.

During the year, there was not a non controlling interest expense related to the non controlling interest.

December 31, 2000 and 1999 (in thousands of dollars except per unit amounts)

14 UNITHOLDERS' EQUITY

a) Units Issued and Outstanding

The interests in the Trust are represented by a single class of units which are unlimited in number. Each unit entitles the holder to a single vote and carries the right to participate in all distributions.

The number of units issued and outstanding are as follows:

	Units	Amount
Balance at December 31, 1998	16,225,393	$ 194,377
Issuance of units on January 26, 1999, pursuant to a Prospectus dated January 14, 1999	3,300,000	77,550
Issue costs	—	(3,985)
Units issued in connection with the payment of advisory fee expense	49,956	1,048
Units issued as a result of options being exercised under the Unit Option Plan	72,667	823
Units issued in connection with the Distribution Re-investment Plan	4,154	81
Balance at December 31, 1999	19,652,170	$ 269,894
Units issued in connection with the payment of advisory fee expense	89,037	1,243
Units issued on conversion of convertible debentures exercised at the holders' option	4,421	63
Units issued in connection with the Distribution Re-investment Plan	6,054	85
Balance at December 31, 2000	**19,751,682**	**$ 271,285**

On February 13, 2001, 25,466 units ($331) were approved for issuance in connection with the payment of the fourth quarter of 2000 advisory fee expense.

As consideration for CPL Reit obtaining approval to operate additional beds in connection with a previously acquired facility in British Columbia, CPL Reit anticipates issuing approximately 150,000 units in the first quarter of 2001 to the vendor of the facility.

b) Option Plan

On April 25, 1997, CPL Reit adopted the Option Plan, which is subject to the rules of The Toronto Stock Exchange. The total number of units in respect of which options may be granted under the Option Plan may not exceed 2,500,000 units (as amended May 25, 1998 from 852,045 units). The Option Plan provides that at no time shall the number of units reserved for issuance under the plan exceed 10% of the then outstanding units. Options are granted at no less than the market price and have a minimum term of 10 years.

Changes for years ended December 31 are as follows:

	2000		1999	
	Units	Weighted average exercise price	Units	Weighted average exercise price
Outstanding, at beginning of year	**1,093,733**	**$ 16.74**	893,900	$ 14.69
Granted	**195,000**	**$ 10.32**	282,500	$ 21.89
Exercised	**—**	**$ —**	(72,667)	$ 11.34
Cancelled	**(175,000)**	**$ 18.68**	(10,000)	$ 21.13
Outstanding, at end of year	**1,113,733**	**$ 15.28**	1,093,733	$ 16.74
Options exercisable at year end	**470,873**		343,193	

Composition of outstanding options:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number outstanding at Dec 31, 2000	Weighted average remaining contractual life Dec 31, 2000	Weighted average exercise price	Number exercisable at Dec 31, 2000	Weighted average exercise price
$ 10.00 to $ 14.17	**494,733**	**7.5**	**$ 10.12**	**209,573**	**$ 10.00**
$ 16.94 to $ 17.58	**329,000**	**6.9**	**$ 17.00**	**187,800**	**$ 16.96**
$ 21.13 to $ 23.50	**290,000**	**8.0**	**$ 22.13**	**73,500**	**$ 22.10**
	1,113,733			**470,873**	

15. COMMITMENTS AND CONTINGENCIES

CPL Reit has entered into development agreements with the Province of Ontario Ministry of Health and Long Term Care to build 18 new facilities in Ontario. In addition, CPL Reit is developing one new facility in Alberta (108 beds). If all of these facilities are developed as currently planned, CPL Reit will invest an additional $260,000 to complete the facilities. CPL Reit has outstanding letters of credit in the amount of $3,776 related to these developments. The majority of the facilities being developed are targeted for completion between the first quarter of 2002 and the fourth quarter of 2002.

December 31, 2000 and 1999 (in thousands of dollars except per unit amounts)

16. RELATED PARTY TRANSACTIONS

a) CPL Reit, including its wholly owned subsidiaries, has entered into advisory and management agreements with Central Park Lodges Inc. ("Lodges") (formerly Central Park Lodges Ltd.) which owns 15% (1999 – 15%) whereby Lodges provides certain administrative and management services, and investment advice, to CPL Reit and its operators.

Under the terms of the agreements, Lodges is entitled to the following:

(i) Management and advisory expenses:

(i) A management expense of 2.75% of the gross operating revenues of certain of the operators;

(ii) A base annual advisory fee equal to 0.35% of the adjusted cost base of CPL Reit's consolidated assets, payable half in units based on the average unit value in each quarter;

(ii) An incentive fee equal to 15% of the amount by which CPL Reit's Distributable Income exceeds 10% (on a cumulative annual basis) of the weighted average Unitholders' Equity pursuant to the definitions in the Declaration of Trust;

(iii) A financing co-ordination fee (which is deferred and amortized over the term of the related debt) of 0.25% of the principal amount of any new or replacement financing arranged for CPL Reit;

(iv) An acquisition fee (which is capitalized as a cost to acquire property investments) of 0.65% of the total acquisition price of any additional properties acquired by CPL Reit; and

(v) A disposition fee of 0.25% of the aggregate sale price of any property disposed of by CPL Reit.

b) For the year ended December 31, 2000, $757 (1999 – $1,359) has been reimbursed and is shown as a reduction of general, administrative and management expense.

c) Subscription of Units
During the year, Lodges subscribed for and purchased 89,037 (1999 – 49,956) units at a cost of $1,243 (1999 – $1,048) as required by the advisory agreement noted in 16 a) (i)(ii).

During the year, Lodges charged CPL Reit the following amounts:

	2000	1999
Management expenses (net of reimbursements noted in note 16 b))	**$ 10,009**	$ 8,385
Advisory fees	**2,550**	2,252
Incentive fees	**409**	499
Financing co-ordination fees	**74**	215
Acquisition fees	**364**	1,064
	$ 13,406	$ 12,415

d) Agency Staffing Services
At various facilities, CPL Reit utilizes the agency staffing services of Centracare Health Services Ltd. ("CHS"), a company owned by Lodges. During the year, agency staffing fees paid to CHS were $553 (1999 – $634).

17. TRUST EXPENSES

Trust expenses include advisor's fees of $2,902 (1999 – $2,751), unitholder information costs of $337 (1999 – $495) and other corporate costs of $1,004 (1999 – $840).

18. DISTRIBUTIONS TO UNITHOLDERS

Distributions to unitholders are computed based on distributable cash as defined by the Declaration of Trust.

Distributable cash, as defined in the Declaration of Trust, is calculated as net income as determined in accordance with Canadian generally accepted accounting principles plus depreciation expense and amortization of licenses, deferred charges, and goodwill, less future income tax benefits, adjusted for any other items as determined by the Trustees.

	2000	1999
Net income	$ **14,978**	$ 12,660
Add:		
Depreciation and amortization	**20,547**	16,662
Future income taxes (benefit) expense	**(4,358)**	542
Distributable income	**31,167**	29,864
Discretionary trustee amount	**748**	1,438
Distributable cash	$ **31,915**	$ 31,302

19. PER UNIT CALCULATIONS

	2000	1999
Net income per unit	$ **0.761**	$ 0.654
Fully diluted net income per unit	**0.745**	0.654
Distributable income per unit	**1.583**	1.542
Fully diluted distributable income per unit	**1.476**	1.517
Weighted average number of units outstanding	**19,685,886**	19,372,380

20. ACQUISITIONS

On February 29, 2000 CPL Reit acquired the assets of seven long term care facilities in the Eastern United States, for the purchase price of $58,577 ($40,317 USD). The results of operations are included in the statement of income from the date of acquisition.

During 1999 CPL Reit acquired the assets of three long term care facilities in British Columbia, and one each in Manitoba and Ontario. Eleven facilities in Vermont, Connecticut and New Hampshire were also acquired through CPL Subacute LLC.

Under the terms of certain of the purchase agreements, contingent consideration may be due. The amount and timing of this consideration is not readily determinable at this time and has not, therefore, been reflected in the accounts.

December 31, 2000 and 1999 (in thousands of dollars except per unit amounts)

20. ACQUISITIONS *(continued)*

The cost of all acquisitions has been allocated as follows:

	2000	1999
Property investments	**$ 42,397**	$ 149,668
Licenses	**5,226**	23,074
Goodwill	**9,738**	6,668
Deferred charges	**136**	1,791
Other assets	**1,080**	—
	58,577	181,201
Financed by:		
Long term debt	**(55,937)**	(144,389)
Non controlling interest	**—**	(5,527)
Non-cash working capital assumed	**(1,027)**	(3,492)
	(56,964)	(153,408)
Cash consideration for business and asset acquisitions	**$ 1,613**	$ 27,793

21. FINANCIAL RISK MANAGEMENT (FINANCIAL INSTRUMENTS)

CPL Reit has foreign operations, issues short and long term debt and operates in a highly regulated environment. These activities result in various financial risks including changes in foreign currency exchange rates, interest rates and government regulatory controls. In addition, CPL Reit is subject to other financial risks associated with the operations of its business. The following describes these financial risks and how they are managed by CPL Reit.

Foreign Currency Exchange Risk

Foreign currency exchange risk results from changes in exchange rates between CPL Reit's reporting currency (Canadian dollars) and the U.S. dollar. At December 31, 2000, 28.7% (15.6% – 1999) of CPL Reit's assets were held in the United States and 17.1% (9.7% – 1999) of its distributable income before corporate costs was generated in the United States. A one cent change in the cost of U.S. dollars would change distributable income by $44 ($23 – 1999). The U.S. operations are funded primarily through U.S. dollar debt which serves to mitigate foreign currency exchange risk.

Interest Rate Risk

Interest rate risk arises with changes in interest costs which affect CPL Reit's floating rate debt on an ongoing basis and its long term debt upon renewal. At December 31, 2000, 36% (38% – 1999) of CPL Reit's long term debt is floating. Each 0.25% change in interest rates changes annual interest costs by $410 ($399 – 1999). To limit interest rate risk CPL Reit fixes the interest rate on its long term debt to the extent possible. Generally, the Trust fixes the term of long term debt for between five and 20 years. To limit exposure to the risk of higher rates at renewal, CPL Reit spreads the maturities of its fixed rate long term debt over time.

Regulatory Risk

During 2000, 39% (45% – 1999) of CPL Reit's revenues were generated in Ontario.

Credit Risk

CPL Reit's financial assets that could be exposed to credit risk are restricted cash, accounts receivable and the note receivable. Restricted cash is held by financial institutions to whom CPL Reit is indebted. As a right of offset risk exists between the restricted cash held and the amount owed to the financial institution, the potential credit risk is mitigated. CPL Reit is exposed to normal credit risk from customers. The Trust has four significant categories of customers: governments, insurance carriers and managed health care organizations, resident clients and nursing homes to which the Trust provides management services. Government customers are comprised of provincial, state and, in the U.S., the federal government. Credit risk associated with these customers relates to their ability to potentially deny certain charges. No single resident, insurance carrier, managed health care organization or nursing home represents more than 3.5% of CPL Reit's accounts receivable at December 31, 2000. The note receivable is secured against the non controlling interest in CPL Subacute LLC. At December 31, 2000 management believes this interest approximates the carrying value of the note receivable.

Fair Value

Fair value represents management's estimate of current market value at a given point in time. The fair value of accounts receivable, restricted cash, and bank indebtedness are determined to be the carrying value of these assets and liabilities at December 31, 2000 and 1999 due to their short term nature. The fair value of long term debt at December 31, 2000 is $465,669 compared to a carrying value of $460,561. The fair value of long term debt at December 31, 1999 and the debt component of the convertible debentures at December 31, 2000 approximate the carrying value.

December 31, 2000 and 1999 (in thousands of dollars except per unit amounts)

22. SEGMENTED INFORMATION

CPL Reit has two reportable operating segments, Canada and the United States. The segments are managed separately due to the differences in legislative environments and funding programs in each of the countries. The accounting policies of the two segments are the same as those described for CPL Reit. Corporate interest expense and trust expenses are managed by the Trust as a separate responsibility and are not allocated to reportable operating segments. CPL Reit has no material inter-segment sales, transfers or expenses.

	Canada		United States		Total	
	2000	1999	2000	1999	2000	1999
Revenue	**$ 323,503**	$ 291,136	**$ 178,076**	$ 101,683	**$ 501,579**	$ 392,819
Expenses						
Property operating expenses	**258,885**	231,488	**151,919**	87,507	**410,804**	318,995
General, administrative & management	**11,489**	10,018	**5,640**	3,179	**17,129**	13,197
Property operating income	**53,129**	49,630	**20,517**	10,997	**73,646**	60,627
Long term debt and bank interest	**20,429**	17,906	**13,875**	7,626	**34,304**	25,532
Depreciation and amortization	**14,525**	13,202	**6,022**	3,460	**20,547**	16,662
Income before income taxes	**18,175**	18,522	**620**	(89)	**18,795**	18,433
Future income tax (benefit) expense	**(6,149)**	612	**1,791**	(70)	**(4,358)**	542
Current income tax	**362**	451	**52**	31	**414**	482
Income before corporate items	**23,962**	17,459	**(1,223)**	(50)	**22,739**	17,409
Corporate expenses						
Trust expenses					**4,243**	4,086
Long term debt and bank interest					**3,518**	663
Net income					**$ 14,978**	$ 12,660

	Canada		United States		Total	
	2000	1999	2000	1999	2000	1999
Total assets	**$ 627,737**	$ 651,269	**$ 253,303**	$ 120,584	**$ 881,040**	$ 771,853
Total liabilities	**$ 404,977**	$ 439,739	**$ 205,076**	$ 97,779	**$ 610,053**	$ 537,518
Expenditures for segment assets:						
Properties under development	**$ 25,774**	$ 1,334	**$ —**	$ —	**$ 25,774**	$ 1,334
Capital improvements	**$ 10,792**	$ 10,994	**$ 3,614**	$ 458	**$ 14,406**	$ 11,452
Other significant items:						
Acquisitions	**$ —**	$ 59,156	**$ 58,577**	$ 122,045	**$ 58,577**	$ 181,201

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Directory of CPL Reit Properties

BRITISH COLUMBIA

Holyrood Manor
22710 – 117th Avenue
Maple Ridge, B.C.
Tel: 604-467-8831

Royal City Manor
77 Jamieson Court
New Westminster, B.C.
Tel: 604-522-6699

Arbutus Care Centre
4505 Valley Drive
Vancouver, B.C.
Tel: 604-261-4292

Lakeview Care Centre
3490 Porter Street
Vancouver, B.C.
Tel: 604-874-2803

Glenwarren
1230 Balmoral Road
Victoria, B.C.
Tel: 250-383-2323

James Bay Lodge, Victoria
336 Simcoe Street
Victoria, B.C.
Tel: 250-388-6457

Sandringham Hospital
1650 Fort Street
Victoria, B.C.
Tel: 250-595-2313

Capilano Care Centre
525 Clyde Avenue
West Vancouver, B.C.
Tel: 604-926-6856

ALBERTA

Bow-Crest Care Centre
5927 Bowness Road N.W.
Calgary, Alberta
Tel: 403-288-2373

Mount Royal
1813 – 9th Street S.W.
Calgary, Alberta
Tel: 403-244-8994

Jasper Place
8903 – 168th Street
Edmonton, Alberta
Tel: 780-489-4931

South Terrace
5905 – 112th Street
Edmonton, Alberta
Tel: 780-434-1451

Riverview
603 Prospect Drive S.W.
Medicine Hat, Alberta
Tel: 403-527-5531

MANITOBA

Valleyview
3015 Victoria Avenue
Brandon, Manitoba
Tel: 204-728-2030

Beacon Hill Lodge
190 Fort Street
Winnipeg, Manitoba
Tel: 204-942-7541

Charleswood Care Centre
5501 Roblin Blvd.
Winnipeg, Manitoba
Tel: 204-888-3363

Heritage Lodge
3555 Portage Avenue
Winnipeg, Manitoba
Tel: 204-888-7940

Parkview Place
440 Edmonton Street
Winnipeg, Manitoba
Tel: 204-942-5291

Poseidon Care Centre
70 Poseidon Bay
Winnipeg, Manitoba
Tel: 204-452-6204

ONTARIO

Blenheim Community Village
10 Mary Street
Blenheim, Ontario
Tel: 519-676-8119

Versa-Care Centre, Brantford*
425 Park Road N.
Brantford, Ontario
Tel: 519-759-1040

Riverbend Place
650 Coronation Boulevard
Cambridge, Ontario
Tel: 519-740-3820

Stoneridge Manor
256 High Street
Carleton Place, Ontario
Tel: 613-257-4355

Versa-Care Centre, Chatsworth*
RR #3
Chatsworth, Ontario
Tel: 519-794-2244

Parkview Manor Health Care Centre*
98 3rd Street
Chesley, Ontario
Tel: 519-363-2416

Versa-Care Centre, Cornwall
201 – 11th Street E.
Cornwall, Ontario
Tel: 613-933-7420

Sara-Vista Nursing Home
59 Simcoe Street
Elmvale, Ontario
Tel: 705-322-2182

Iler Lodge
111 Iler Avenue
Essex, Ontario
Tel: 519-776-5243

Maitland Manor*
290 South Street
Goderich, Ontario
Tel: 519-524-7324

* managed facilities

ONTARIO

Kilean Lodge
83 Main Street E.
Grimsby, Ontario
Tel: 905-945-9243

Maplecrest
85 Main Street
Grimsby, Ontario
Tel: 905-945-7044

Versa-Care Centre, Hamilton
330 Main Street E.
Hamilton, Ontario
Tel: 905-523-7134

Birchwood Terrace
237 Lakeview Drive
Kenora, Ontario
Tel: 807-468-8625

Pioneer Long Term Care Centre
3570A King St. E., 3rd Floor
Kitchener, Ontario
Tel: 519-894-8380

Forest Heights
60 Westheights Drive
Kitchener, Ontario
Tel: 519-576-3320

Versa-Care Centre, Lambeth
848 Gideon Dr., RR #32
London, Ontario
Tel: 519-472-1270

Elmwood Place
46 Elmwood Place W.
London, Ontario
Tel: 519-433-7259

Pinecrest Manor
399 Bob Street
Lucknow, Ontario
Tel: 519-528-2820

Versa-Care Centre, Markham
6824 Highway #7
Markham, Ontario
Tel: 905-294-0511

Fosterbrooke
330 King Street West
Newcastle, Ontario
Tel: 905-987-4703

Eagle Terrace
329 Eagle Street
Newmarket, Ontario
Tel: 905-895-5187

MacKenzie Place
52 George Street
Newmarket, Ontario
Tel: 905-853-3242

Oak Terrace
291 Mississauga Street W.
Orillia, Ontario
Tel: 705-325-2289

Thorntonview
186 Thornton Road S.
Oshawa, Ontario
Tel: 905-576-5181

Carlingview Manor
2330 Carling Avenue
Ottawa, Ontario
Tel: 613-820-9328

Centre de soins de longue* durée CPL à Montfort
713 Montreal Road, #450
4th Floor
Ottawa, Ontario
Tel: 613-746-4621 ext. 6400

Georgian Heights*
1115 10th Street E.
Owen Sound, Ontario
Tel: 519-371-1441

Maple View
1029 4th Avenue W.
Owen Sound, Ontario
Tel: 519-376-2522

Summit Place
850 – 4th Street E.
Owen Sound, Ontario
Tel: 519-376-3212

Hallowell House
RR #1
Picton, Ontario
Tel: 613-476-4444

Dover Cliffs
501 St. George Street
Port Dover, Ontario
Tel: 519-583-1422

Versa-Care Centre, Rexdale
95 Humber College Boulevard
Rexdale, Ontario
Tel: 416-746-7466

West Side
1145 Albion Road
Rexdale, Ontario
Tel: 416-745-4800

Versa-Care Centre, St. Catharines
168 Scott Street
St. Catharines, Ontario
Tel: 905-934-3321

Sumac Lodge
1464 Blackwell Road
Sarnia, Ontario
Tel: 519-542-3421

Sarsfield Colonial Home
2861 Colonial Road
Sarsfield, Ontario
Tel: 613-835-2977

Kennedy Lodge Nursing Home
1400 Kennedy Road
Scarborough, Ontario
Tel: 416-752-8282

Hillside Manor
RR #5
Stratford, Ontario
Tel: 519-393-5132

Bonnie Brae Health Care Centre*
55 Woodstock Street
Tavistock, Ontario
Tel: 519-655-2420

Versa-Care Place, Tecumseh
1400 Banwell Road
Tecumseh, Ontario
Tel: 519-735-3204

Versa-Care Centre, Thunder Bay
135 South Vickers Street
Thunder Bay, Ontario
Tel: 807-623-9511

Pinewood Court
445 South James Street
Thunder Bay, Ontario
Tel: 807-577-1127

Harold & Grace Baker Centre*
1 Northwestern Avenue
Toronto, Ontario
Tel: 416-654-2889

Versa-Care Centre, Main St.
77 Main Street
Toronto, Ontario
Tel: 416-690-3001

Keele Lawrence Care Centre*
2175 Keele Street
Toronto, Ontario
Tel: 416-658-2030

Versa-Care Centre, Uxbridge*
130 Reach Street
Uxbridge, Ontario
Tel: 905-852-5281

Riverside Health Care Centre
6475 Wyandotte Street E.
Windsor, Ontario
Tel: 519-948-4054

Versa-Care Windsor Place
350 Dougall Avenue
Windsor, Ontario
Tel: 519-256-7868

Country Village Health Care Centre*
RR #2
Woodslee, Ontario
Tel: 519-839-4812

QUEBEC

Residence du Parc
33 Argyle Avenue
St. Lambert, Quebec
Tel: 450-465-1401

*managed facilities

UNITED STATES

Subacute Center of Bristol
23 Fair Street
Forestville, Connecticut
Tel: 860-589-2923

Brook Hollow Health Care Center
55 Kondracki Lane
Wallingford, Connecticut
Tel: 203-265-6771

Cedar Lane Rehabilitation and Health Care Center
128 Cedar Avenue
Waterbury, Connecticut
Tel: 203-757-9271

Fox Chase Rehabilitation and Nursing Center
2015 East West Highway
Silver Spring, Maryland
Tel: 301-587-2400

Renaissance Manor on Cabot
279 Cabot Street
Holyoke, Massachusetts
Tel: 413-536-3435

Renaissance Manor of Westfield
37 Feeding Hills Road
Westfield, Massachusetts
Tel: 413-568-2341

Rochester Manor
40 Whitehall Road
Rochester, New Hampshire
Tel: 603-332-7711

Park Manor Nursing Home
23 Park Place
Bloomfield, New Jersey
Tel: 973-743-7772

Hamilton Plaza Nursing Center
56 Hamilton Avenue
Passaic, New Jersey
Tel: 973-773-7070

Oakridge Rehabilitation and Nursing Center
261 Terhune Drive
Wayne Township, New Jersey
Tel: 973-835-3871

Rowan Court Health and Rehabilitation Center
378 Prospect Street
Barre, Vermont
Tel: 802-476-4166

Bennington Health and Rehabilitation Center
360 Dewey Street
Bennington, Vermont
Tel: 802-442-8525

Berlin Health and Rehabilitation Center
RR #3, Airport Road
Berlin, Vermont
Tel: 802-229-0308

Burlington Health and Rehabilitation Center
300 Pearl Street
Burlington, Vermont
Tel: 802-658-4200

Springfield Health and Rehabilitation Center
105 Chester Road
Springfield, Vermont
Tel: 802-885-5741

Redstone Villa Nursing Home
7 Forest Hills Drive
St. Albans, Vermont
Tel: 802-524-3498

St. Johnsbury Health and Rehabilitation Center
Hospital Drive
St. Johnsbury, Vermont
Tel: 802-748-8757

Iliff Nursing and Rehab Center
8000 Iliff Drive
Dunn Loring, Virginia
Tel: 703-660-1008

Linden Grove
400 – 29th Street N.E.
Puyallup, Washington
Tel: 253-840-4400

Orchard Park
4755 South 48th Street
Tacoma, Washington
Tel: 253-475-4611

OFFICERS

John Crow
Chairman

Barry Reichmann
President

George Kuhl
President, Operating Companies

David Beirnes
Chief Financial Officer

C. William Dillane
Chief Operating Officer

Frank Cerrone
Vice President, Legal Services

Patrick McCarthy
Vice President, Finance

TRANSFER AGENT

CIBC Mellon Trust Company
Tel: 416-643-5000
Toll Free: 1-800-387-0825

TORONTO STOCK EXCHANGE

Units: cpl.un
Convertible Debentures:
June 2000 – cpl.db
October 2000 – cpl.db.a

ANNUAL MEETING

The annual meeting will take place at 11:00 a.m. on May 8, 2001 at the Fairmont Royal York Hotel
100 Front St. West, Toronto
Confederation Room 4, Mezzanine Level

DISTRIBUTION REINVESTMENT PLAN

CPL Reit unitholders are able to have their monthly distributions reinvested in additional units of CPL Reit by taking advantage of the Trust's distribution reinvestment plan. Monthly distributions are automatically reinvested in additional CPL Reit Units without payment of any brokerage commissions. The price of Units purchased with such distributions will be 97% of the weighted average price at which Units of CPL Reit have traded on the TSE for the five trading days immediately preceding the distribution date.

For further information regarding CPL Reit's Distribution Plan, please contact:

Investor Relations
CPL Long Term Care Real Estate Investment Trust
614 Coronation Blvd., Suite 200
Cambridge, Ontario
N1R 3E8

Tel: 519-622-1840 Fax: 519-622-8884

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CPL LONG TERM CARE
REAL ESTATE INVESTMENT TRUST

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Investor Relations Contact

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Web site: **www.cplreit.com**